

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1904 - SB 1863

March 4, 2018

SUMMARY OF BILL: Enacts the "Tennessee Pay Equality Act." Prohibits any employer from discrimination between employees on the basis of sex by paying any employee a wage rate less than the wage rates the employer pays to any employee of the opposite sex for comparable skill, effort, and responsibility, and which are performed under similar working conditions.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 50-2-202 (a), wage differentials between employees of the opposite sex are permissible only if such differentials are based on a system of seniority, merit, quality, or quantity of production, or any "other reasonable differential" that is based on a factor other than sex.
- The proposed legislation deletes the "other reasonable differentials" provision.
- Based on the information provided by the Department of Labor and Workforce Development (DLWD), adopting the policies under the provisions of the proposed legislation will be similar to current practice, as DLWD's Labor Standards unit currently enforce wage regulations across the state. Therefore any impact to DLWD or its operations is estimated to be not significant.
- Based on the information provided by the Department of Human Resources (DOHR), the proposed legislation will not have any significant impact on DOHR operations.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

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Assumption:

- To the extent certain employers adjust such employee's wages as a result of the proposed legislation there may be a change or shift in an employer's expenditures; however, any net impact on commerce and jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp